



The President's Daily Brief

November 3, 1975

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USSR

Preliminary data from several Soviet republics indicate that this year's grain crop in the USSR was even worse than we estimated. We now expect a crop of 150 million to 155 million tons--5 to 10 million tons below our last estimate and 60 to 65 million tons less than the Soviets had planned on. Contrary to normal practice, the Soviet Union has not yet reported this year's grain production, even though the harvest has ended.

The range in the revised forecast reflects our uncertainty about the area that has been abandoned or used as forage, although we believe it to be more than 10 percent of the area sown.

The Soviets have reentered the US grain market following the end--on October 20--of the moratorium on new sales. By the end of October, Moscow had contracted for an additional 1.6 million tons of US corn, raising estimated Soviet purchases of all types of grain from all sources to about 25.5 million tons. More than half of this is believed to be wheat, with corn making up much of the remainder.

The US is the leading supplier, followed by Canada and Australia. If, as we expect, the Soviets purchase a total of 30 million tons of grain for delivery between July 1975 and September 1976, the US will supply over half this amount.

The Soviets are sending conflicting signals on their purchasing intentions. They have indicated that they are prepared to buy substantial additional amounts of US grain, but have also suggested that their buying program in the US is about completed.

Neither Soviet nor US ports can handle large new shipments at this time. Moscow may hope that a delay in additional purchases for several months may cause grain prices to decline. The Soviets are likely to make substantial new purchases around the beginning of next year.

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Imported grain will only partially fill the gap between Soviet supply and demand. Even allowing for additional purchases and the reduction of stocks to a minimum, the USSR will still be roughly 30 million tons shy of normal grain requirements.

Belt-tightening measures have already begun. Distress slaughtering of livestock, mainly hogs, started in August and continued through September, when industrial meat production reached a record high. The number of hogs is falling more rapidly than pork production figures indicate because animals are being slaughtered at below-normal weights, thus avoiding intensive grain feeding during the last stages of fattening.

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LEBANON

Street fighting in Beirut slackened again yesterday after the arrangement of yet another cease-fire--the twelfth in the past seven months. Some of the heaviest fighting to date took place in the capital on Friday and Saturday.

This cease-fire, like those that preceded it, may provide only a brief lull in the fighting. None of the leaders of the warring factions seems to be in complete control of his forces.

Previous cease-fires have been used primarily as a time to replenish depleted supplies rather than to seek a genuine solution to the situation. There is no reason to believe the present cease-fire will be any different.

Prime Minister Karami has called a meeting of the national dialogue committee for today. The committee, which is charged with seeking a political solution to end the fighting, has made little progress and has not held a session for almost two weeks. The committee continues unlikely to make much headway because of deteriorated relations between Prime Minister Karami, who is a Muslim, and key Christian leaders--President Franjiah, Interior Minister Shamun, and Phalanges chief Jumayyil.

Karami angered both the Phalangists and Shamun's National Liberal Party on Friday when he assumed personal direction of security matters which previously had been directed by Shamun. Fears have abated, however, that Karami will resign. He stated publicly yesterday that he intends to remain prime minister until the security situation is under control.

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It seems likely that, at a minimum, Syria has reinforced Saiqa units inside Lebanon because of the increased fighting late last week. Damascus may also have spread rumors that Syrian regulars had intervened or were about to intervene in order to put pressure on the Phalangists to accept a new cease-fire.

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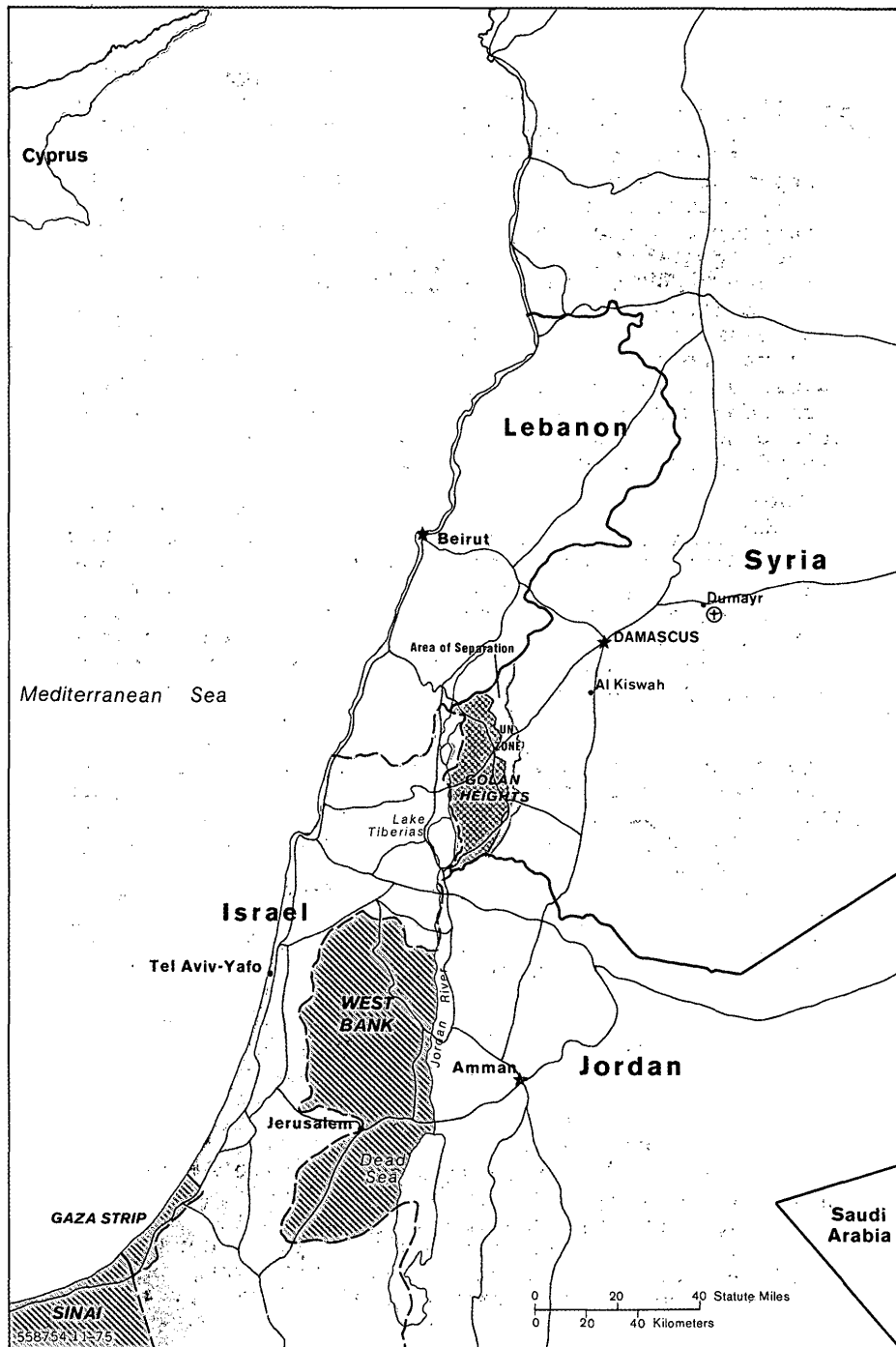
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[REDACTED]
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[REDACTED] We continue to be-
lieve that Damascus does not want to send its regu-
lar forces openly into Lebanon for fear of provoking
a military reaction from Israel.

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SYRIA-ISRAEL

Syrian military forces apparently are no longer at the high level of alert they assumed more than a week ago.

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[redacted] noted, during a tour of the capital area last Thursday, that more troops than usual seemed to be on pass. Among them were personnel from the four Syrian divisions stationed along the Golan Heights, and members of the Saudi contingent positioned at Al Kiswah, some 12 miles south of Damascus. The attaché also noticed that vehicle workshops at Al Kiswah had closed for the weekend, despite the large amount of equipment awaiting repair.

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Syria and Saudi Arabia have continued preparations for their twice-postponed joint air and ground exercise. [redacted] that current Syrian plans call for a practice exercise on Wednesday or Thursday and the actual exercise the day following the practice. The exercise will include an air-drop of about 120 paratroops near Dumayr, about 30 miles northeast of Damascus. The operation will be supported by Saudi F-5 fighters operating from an airfield in northern Jordan.

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[redacted] today and to depart on November 10. The Jordanians reportedly will not participate in the exercise but will provide airfield support and radar assistance to the Saudis.

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PORTUGAL

Prime Minister Azevedo and other anti-Communist military leaders are appealing for calm and unity to cool the political unrest stirred by the approach of Angolan independence next week. Leftist forces in Portugal claim that the arrest last week-end of two supporters of former president Spínola justifies their insistence that a right-wing coup is imminent.

Two former military officers, who reportedly left the country with Spínola following the coup that failed last March, were picked up by security troops at a camp for Angolan refugees in northern Portugal. They were said to possess Spanish currency and are believed to have entered Portugal secretly from Spain. The US embassy in Lisbon reports that several individuals with ties to the conservative Portuguese Liberation Army also may have been detained.

The left has been agitating to alter Lisbon's declared policy of impartiality among the three Angolan liberation movements in favor of the Popular Movement. In addition to pressure from left-wing political parties, press, and radical military officers, there is evidence that activists of Popular Movement are arriving in Lisbon on refugee flights to take part in coming rallies that will support the Movement. The first of these is scheduled for tonight.

As the airlift of refugees from Angola comes to an end, conservative refugee groups are certain to become bolder in registering their discontent with left-wing support for the Popular Movement and for the meager resettlement assistance offered by the Lisbon government. The bombing and sacking last month of an Angolan cultural center controlled by the Popular Movement indicates that the returnees are willing to employ violence. They have planned a rally of their own later in the week to protest the Movement.

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Despite the political turmoil, the 19-man Revolutionary Council is attempting to carry on as usual. The council did not, as rumored, take action against army chief Fabiao or security chief Carvalho at its session during the weekend. It did, however, approve the long-awaited legal framework for the investigation and trial of nearly 1,300 members of the former regime's security police who have been detained since the coup of April 1974. The council also established a tribunal to deal with persons implicated in the attempted coup last March and announced its intention to arrest civilians possessing military arms.

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SPAIN

The Spanish Communist Party has apparently made significant concessions in an effort to create a facade of unity between the two loose coalitions of the Spanish left. The joint communiqué issued Saturday by the Communist-dominated Democratic Junta and the more moderately left-ist Democratic Platform of Convergence did not condemn Prince Juan Carlos out of hand as the Communists would have preferred.

The communiqué was also vague on Communist demands for the establishment of a provisional government and the calling of a national referendum to choose between a monarchy and a republic. The statement called for a "democratic break" with Francoism and referred to a "constituent period" which would lead to a referendum. No deadlines were set for the referendum. Three other main objectives listed in the communiqué are issues on which there is broad agreement among the Spanish opposition:

--Amnesty for political prisoners.

--Freedom for labor unions and political parties and guarantees of human rights.

--Full political rights and "freedoms" for regions, such as Catalonia and the Basque country.

The communiqué closed with the statement that the two coalitions would remain in contact and cooperate from time to time, but would continue to seek their own particular objectives.

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SPANISH SAHARA

Spain--faced with Algeria's resistance to a bilateral settlement of the Spanish Saharan issue by Spain and Morocco and with Moroccan unwillingness to call off the mass march into the territory--apparently has decided it has little alternative but to turn again to the UN. Madrid, moreover, presumably sees such a course as focusing international attention on Spain's desire to honor its obligation to Spanish Sahara. Prince Juan Carlos' surprise one-day visit to the territory yesterday not only committed him to support UN efforts but also demonstrated his solidarity with the army, whose backing is essential to him.

The Security Council resolution passed yesterday calls on Secretary General Waldheim to resume consultations with the concerned parties. It omits any reference to a UN trusteeship arrangement that Waldheim had previously discussed with Spain and the involved North African states.

Spain's acceptance of a UN role leaves Moroccan King Hassan little choice but to proceed with the march--reportedly sometime in the next few days. Rabat will probably claim that Madrid's determination to stop the march by force if necessary, rather than Morocco's own actions, is contrary to yesterday's Security Council resolution.

Once marchers cross the border, there will almost certainly be clashes with Spanish forces or with armed partisans of the Polisario Front, a pro-independence Saharan group supported by Algeria. In event of the latter, Moroccan troops stationed in the south are likely to intervene.

Morocco has "categorically denied" press reports that its forces crossed the border into Spanish Sahara yesterday and clashed with the Polisario Front. The Moroccan information minister said, however, that he could not exclude the possibility that pro-Moroccan residents of the territory might have "raised the Moroccan flag" in some areas. It is possible that Moroccan irregulars posing as Saharans crossed the border to establish a symbolic presence and clashed with a Polisario force.

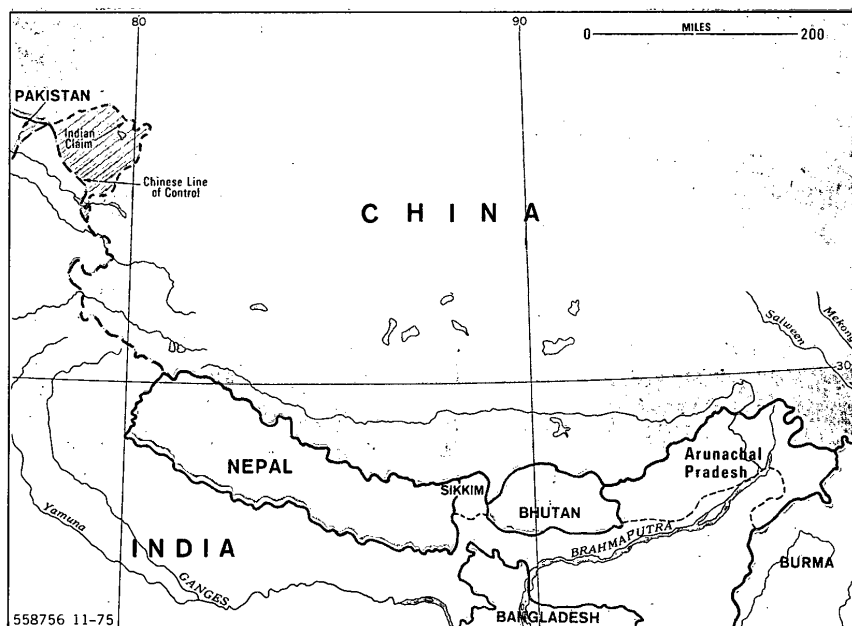
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Algeria will support the Security Council's call for restraint. It wants to return the Saharan problem to the General Assembly, which in the past has strongly supported self-determination. The new Security Council resolution, in fact, pointedly refers to the role of the General Assembly in the Saharan question.

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NOTES

China has not commented on the clash along the Sino-Indian border which the Indian foreign ministry reported on Saturday.

New Delhi says that on October 20, a routine patrol "well within Indian territory" was ambushed by some 40 Chinese troops. Four members of the Indian patrol were killed. The foreign ministry said the incident occurred in Arunachal Pradesh, the former Northeast Frontier Agency, but an Indian army officer told the US consulate in Calcutta that the clash was inside Sikkim. India absorbed Sikkim as a state early this year.

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it is unlikely that the clash will lead to serious fighting. The weather in the Himalayas this time of year would impede the movement of reinforcements and supplies for both sides.

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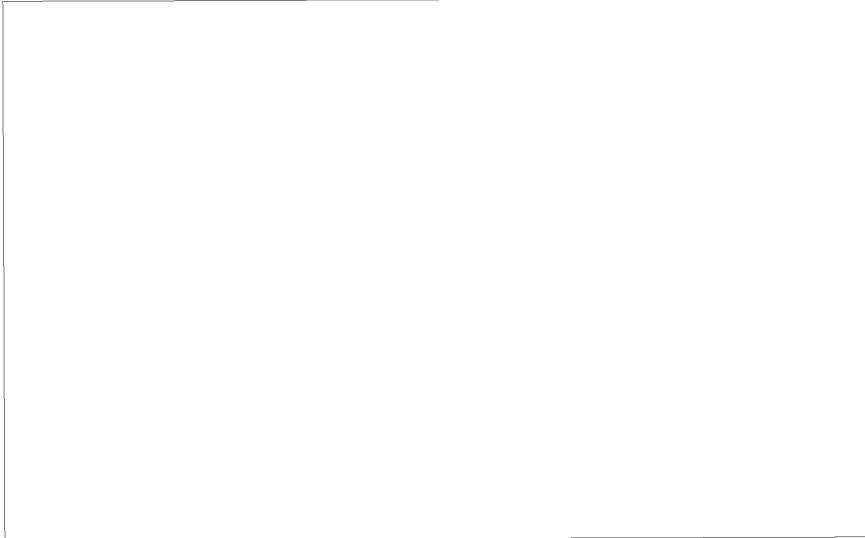
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The Palestine debate begins today in the UN General Assembly with the Arab states split among themselves and possibly with the nonaligned states, hitherto their most consistent allies, over how far to push for reaffirmation of Palestinian rights to a homeland.

The proposed resolution calls for implementation of the resolution passed last year, which recognized the rights of the Palestinians to a national homeland. This year, the Arabs are demanding that a special committee be formed to work out a timetable for achieving Palestinian self-determination and independence. Reactions of the UN representatives of the EC to the draft resolution have been unfavorable.

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